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SIPDIS

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TAGS: [PGOV](#) [PREL](#) [ECON](#) [DJ](#)

SUBJECT: DJIBOUTI AIMS AT BECOMING REGIONAL SERVICE HUB
THAT PROMOTES GROWTH AND REDUCES POVERTY

SENSITIVE BUT UNCLASSIFIED. PLEASE HANDLE ACCORDINGLY.

¶1. (U) In his annual address to Djibouti's National Assembly, Prime Minister Dileita Mohamed Dileita praised President Ismail Omar Guelleh's new anti-poverty initiative (below) and called for Djibouti to become a hub for regional services. He touted Djibouti's new oil, bulk, and container terminal projects as success stories upon which to build. He also called the U.S.-initiated Livestock Export Center an example of Djibouti's potential.

¶2. (U) Dileita warned, however, that the social fabric of Djibouti was being "stressed" by rapid change. He cited the lack of job skills among Djiboutians and the high cost of energy as two key obstacles to putting Djibouti's unemployed to work. He cited better geographic distribution of schools and health centers as part of Djibouti's overall investment in human capital. He also said that developing alternative sources of energy was essential to growth. On governance, Dileita hailed Djibouti's efforts to decentralize by creating last year multi-party, elected regional assemblies and working with them to address needs throughout the country.

¶3. (U) In a separate meeting, Minister of Foreign Affairs Mahamoud Ali Youssef briefed diplomats on Djibouti's new poverty reduction strategy. The three-year National Initiative for Social Development is focused on providing broad access to basic social services and on job creation. Youssef stressed that the gap between elites and those who live in poverty must be narrowed. He called on international donors to release funds for poverty-reduction projects in a timely manner, said that the Action Plan for the Initiative should be ready for public release later this month, and invited the international community to take part in the drafting process.

¶4. (SBU) COMMENT. The Prime Minister's political speech and the Foreign Minister's address to donors show that the Government of Djibouti (GODJ) is keenly aware that increased private investment alone will not lift Djibouti out of poverty. Nonetheless, it is a positive sign that the GODJ is focused on training, job creation, and increased social spending as essential steps for Djibouti to succeed. In what is still one of the world's poorest countries, the GODJ will need continued help to effectively sustain its new commitment of resources to anti-poverty measures. END COMMENT.
SYMINGTON